

## **Appendix F**



Promoting Diversity in Media, Telecom and Broadband

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## Annual Report

### MMTC 2011 ANNUAL REPORT

January 1, 2011 to December 31, 2011

#### OVERVIEW OF MMTC'S MISSION

The Minority Media and Telecommunications Council is a national not-for-profit organization dedicated to promoting and preserving equal opportunity and civil rights in the mass media, telecommunications, and broadband industries. MMTC is the leading advocate for minority participation in the communications industries. We seek to preserve and expand minority ownership and equal employment opportunity in these industries and to close the digital divide./

#### OVERVIEW OF 2011 HIGHLIGHTS

On December 18, 2011, MMTC celebrated our 25th Anniversary as a champion for equal opportunity, diversity and inclusion in media and telecommunications ownership, employment and opportunity.

We are faced with rapidly declining minority employment in broadcasting and high tech.

In broadcasting, MMTC has learned that of the five largest Black-owned broadcasters in 2007, three are bankrupt and one is nearly bankrupt; and of the five largest Hispanic broadcasters in 2007, four are now bankrupt. These numbers illustrate that many of the gains we achieved in minority ownership and diversity have been rolled back.

But looking back on 2011, MMTC's 25th year, despite the daunting challenges facing our economy in general, and underserved communities in particular, MMTC has stayed true to our mission by making every effort to keep pace with the challenges, and the changes, that confronted minority entrepreneurs and communities of color. Our advocacy efforts over the past 25 years have evolved from a primary focus on ensuring equal employment opportunity and station ownership in broadcasting, to include championing the transition to the digital economy, and ensuring that communities of color are not left on the wrong side of the digital divide.

While we are still far from bridging the digital divide, closing the wealth gap, alleviating the impending spectrum crunch, or preserving entrepreneurship and career opportunities in traditional and new media, we are proud that our work helps to advance minority ownership and opportunity, increase minority broadband adoption, or improve the diversity of voices in the media.

#### 2011 SNAPSHOT

- In 2011, after 27 years of pressing the FCC to eliminate discrimination in broadcast advertising, the Commission commenced enforcement of its rule against discrimination on radio and television advertising (commonly known as "no Urban" or "no Spanish" dictates), a business practice that has cost an estimated \$200,000 million annually in losses to minority broadcasters.
- While a number a minority-owned broadcast stations lost their economic footing, we trained new station owners using the

broadcast and LPTV stations donated to us by Clear Channel and Trinity Broadcasting.

- MMTC Media Brokers, our not-for-profit, full service media brokerage firm, was ranked 7th by SNL Kagan, ending the year having participated in 13 transactions valued at nearly \$23 million.
- The Broadband and Social Justice Blog — BBSJ.org — MMTC's first venture into the blogosphere, was launched in September 2010 to promote civil rights in the media and telecom space. During 2011, BBSJ attracted a subscribership of over 11,000 individual users, and published 171 original articles written by MMTC staff, consultants, and industry experts covering diverse topics including broadband access, minority media entrepreneurship, spectrum legislation, and consumer-oriented topics.
- We successfully advocated extending the Universal Service Fund (USF) program, which has traditionally been used to provide landline telephone service to low-income households, to support broadband service in low income households. Further, we helped persuade the FCC to not impose a cap on the lifeline program.
- We flagged the need for stepped-up representation of minorities in Silicon Valley and in state public utility commission through our research and release of reports on: 1) Minorities and High Tech Employment Report, and 2) Minority and Women's Representation on State Public Utility Commissions.
- We released a comprehensive study on broadband adoption: Universal Broadband Adoption: How to Get There, and Why America Needs It.
- We initiated regular "MMTC Best Minds" Public Policy Forums:
  - USF Reform: Its Impact on Minorities and Underserved
  - The General Counsels Forum: A Legal and Legislative Framework for the 21st Century Economy
- We filed Comments in the following proceedings before the FCC:
  - Universal Broadband Adoption
  - Recommendation of the Advisory Committee on Diversity for Communications in the Digital Age for a New Auction Preference for Overcoming Disadvantage
  - Innovation in Broadcast Television Bands: Allocations, Channel Sharing and Improvements to VHF
  - Lifeline and Link Up Reform and Modernization; Federal-State Joint Board on Universal Service; and Lifeline and Link Up
  - (Amicus Comments) Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations
  - Basic Service Tier Encryption; Compatibility Between Cable Systems and Consumer Electronics Equipment
  - Possible Revision or Elimination of Rules Under The Regulatory Flexibility Act, 5 U.S.C. Section 610
  - Review of Foreign Ownership Policies for Common Carrier and Aeronautical Radio Licensees under Section 310(b)(4) of the

## **MMTC WELCOMES YOUR MEMBERSHIP AND SUPPORT**

MMTC could not have accomplished our mission without the generous donations of volunteer time, pro bono legal services, discounted accounting and consulting services, corporate sponsorships and financial contributions from the growing community of MMTC supporters.

MMTC needs and welcomes your continued financial support, which makes it possible for MMTC to serve as an advocate for diversity, inclusion, and equal opportunity in the nation's media and telecommunications industries. All contributions are tax-deductible. MMTC membership is open to individuals, businesses, and nonprofit organizations.

## **KEY ACHIEVEMENTS IN 2011**

### **MMTC: 2011 in Review – Summary of MMTC's 2011 Highlights**

#### **Civil Rights Policy in Communications Industries**

- MMTC's PUC Study: MMTC released a study showing that minorities and women are underrepresented on public utility commissions. In fact, 64.7 % of the public utility commissions examined did not have a minority member, and 29.5% had no women members.
  - <LINK: "minorities and women are underrepresented on public utility commissions": <http://mmtconline.org/lp-pdf/MMTC%20PUC%20Study%20021311.pdf> >

#### **Broadband Policy**

- *Releases of Universal Broadband Adoption and Minorities and High Tech Employment Reports*: 2011 was the year of broadband at MMTC. During our Access to Capital and Telecom Policy Conference, we released two reports on minority inclusion in our digital society and in the high tech industry: *Universal Broadband Adoption: How to Get There, and Why America Needs It*, and *Minorities and High Tech Employment*.
  - <LINK: “Universal Broadband Adoption: How to Get There, and Why America Needs It”: <http://mmtconline.org/lp-pdf/MMTC%20Adoption%20Book%20072111.pdf>
  - <LINK: “Minorities and High Tech Employment”: <http://mmtconline.org/lp-pdf/Minorities%20&%20High%20Tech%20Empl%20072211.pdf>
- **USF Extended to Broadband**: MMTC commented in the Universal Service Fund (USF) and the USF Low Income Program, Lifeline and Link Up (LL/LU), proceedings. Throughout both of these proceedings, we urged the FCC to extend support to broadband services and to prioritize broadband adoption. We urged the Commission to increase efficiencies and transparency in the LL/LU programs through coordinated enrollment, the creation of a database of eligible participants, and through public-private partnerships. We encouraged the FCC to achieve each of these tasks while preventing additional barriers to participation that might arise from capping the size of the program or requiring minimum subscriber fees.
  - <LINK: “Universal Service Fund”: <http://mmtconline.org/lp-pdf/MMTC%20USF%20Letter%20101411.pdf>
  - <LINK: “Lifeline and Link Up”: <http://mmtconline.org/lp-pdf/MMTC%20LL%20Comments%20042111.pdf> >
- Throughout the course of 2011, MMTC expanded its online voice through its Broadband and Social Justice Blog (BBSJ.org). In 2011, the blog published 171 articles authored by staff, consultants, and industry experts. The articles covered diverse topics including broadband access, minority media entrepreneurship, spectrum legislation, as well as consumer-oriented topics such as “techie” holiday gift guides, using the Internet to find jobs, to stay in touch, and help with New Year’s Resolutions. To date, BBSJ has a subscribership of over 11,000 individual users. The BBSJ Blog, launched in September 2010, is MMTC’s first venture into the blogosphere to promote civil rights in the media and telecom space.

### **Media Policy**

- **FCC enforcement of “no urban” “no Spanish” dictates in advertising**: Civil rights regulations received a big boost this year when the FCC began enforcing the advertising nondiscrimination rule, a rule to combat discriminatory “no urban” and “no Spanish” dictates.
  - <LINK: advertising nondiscrimination rule”: <http://mmtconline.org/lp-pdf/Advt%20Nondiscrimin%20Ltr%200401411.pdf> >

### **Broadcast Station Sales, Acquisitions, and Training**

- **MMTC Media Brokers** is the only not-for-profit, full service media brokerage in the United States dedicated to increasing minority ownership of telecommunications facilities. Since 1997, MMTC has represented a variety of buyers and sellers of communications facilities. In 2011, MMTC Media Brokers was ranked 7th, ending the year having participated in 13 transactions valued at nearly \$23 million.
  - <LINK: “Clear Channel” <http://mmtconline.org/lp-pdf/MMTC%20FINAL%20Release%20-%20CC%20Station%20Donation%20-%20MMTC%20secures%20partners%20-%20Distributed%2010-4-2011.pdf> >
  - <LINK: “Trinity Broadcasting” <http://mmtconline.org/lp-pdf/Trinity%20Donation%20-%20MMTC%20Closing%20Press%20Release%20102011%20-%20FINAL.pdf> >
- In 2011, MMTC closed deals for six radio stations donated to MMTC by Clear Channel Communications. We also closed deals and secured owners for 89 LPTV stations donated to MMTC by Trinity Broadcasting. The buyers of these LPTV stations were minorities and women, or non-minorities who agreed to fund MMTC’s minority training and mentoring initiatives. Several of these broadcasters are taking advantage of MMTC’s local marketing agreements (LMA’s) that include a future option to purchase the station.
- Through the sale and lease of these donated stations, MMTC will provide ownership and training opportunities to minorities and women, helping them make the daunting transition from management to ownership. MMTC facilitates the training of minorities and women in the broadcast business by requiring the new owners of these stations to commit to training minorities and women as a condition of the transaction.

### **MMTC PROGRAMS**

#### **Fellowship Program**

Perhaps MMTC’s greatest achievement is our fellowship program through which we have trained 52 fellows since 1994 to practice

before the Federal Communications Commission and to continue the legacy of MMTC's co-founders to advocate for equal opportunity and inclusion in the communications industries. MMTC's fellowship program has created a steady pipeline of lawyers and law students who are well-trained for careers in communications law.

Our three current fellowships are as follows:

- (i) The Earle K. Moore Fellowship, which was founded in 1997 and named after the United Church of Christ attorney who pioneered civil rights practice before the FCC;
- (ii) The John W. Jones Fellowship, which was founded in 2006 and named after the late General Counsel of Radio One, Inc., who devoted his life to minority media entrepreneurship; and
- (iii) The Cathy Hughes Fellowship, which was founded in 2010 and named in honor of the pioneering founder and Chair of Radio One who cares deeply about civil rights issues in the communications space.

### **2011 Annual Broadband and Social Justice Summit**

In January 2011, MMTC convened our second annual Broadband and Social Justice Summit, at which 150 academic and policy experts, students, community leaders, and business people discussed the implementation of the National Broadband Plan, the Obama Administration's broadband policy priorities, and universal broadband adoption. As broadband access, adoption, and informed use frame the civil rights issues of our time, future BBSJ Summits will continue to provide a much-needed forum to discuss communications policy issues of direct interest and relevance to the minority community.

### **2011 Annual Access to Capital Conference**

In July 2011, we convened our ninth annual MMTC Access to Capital Conference. This Conference has become the largest minority media and telecom financial forum in the nation, attracting over 300 entrepreneurs, bankers, and investors, as well as legislators and FCC commissioners. In 2011, in addition to the regular financial and policy forums, MMTC conducted concurrent workshops on entrepreneurial training for broadcast business planning and telecom transactions.

### **2011 MMTC Hall of Fame and Service Awards**

Every year since 1997, MMTC has inducted distinguished industry and public interest leaders into the MMTC Hall of Fame and has conferred awards for exemplary service. The 2011 awardees were as follows:

#### **Hall of Fame inductees**

Richard Bodorff  
Henry Geller  
Dr. Jannette Dates  
Eduardo Peña  
Everett C. Parker Lifetime Achievement Award  
Marc Morial

#### **Corporate Diversity Leadership Award**

Radio One

#### **Distinguished Pro Bono Award**

Henry Solomon

#### **Excellence in Financial Services Award**

RLJ Equity Partners, LLC

### **MMTC'S BOARD OF DIRECTORS AND OFFICERS**

MMTC is a nonpartisan and not-for-profit corporation, having been organized under the laws of the District of Columbia and IRS Section 501(c)(3). It is governed by a 15-member Board of Directors, which receives policy advice from a 27-member Board of Advisors. <LINK: "The Board of Directors and officers": [http://mmtconline.org/?page\\_id=98](http://mmtconline.org/?page_id=98) >

In 2011, we celebrated the dream of our co-founders; namely U.S. Ambassador to the European Union Bill Kennard; Erwin Krasnow; Dr. Everett Parker, who celebrated his 99th birthday this year; Hon. Henry Rivera, who retired as MMTC Board Chair after 25 years of exemplary service; Ragan Henry (deceased), Allen Hammond, Dr. George Gerbner (deceased), and David Honig. In 2011, we also celebrated the promise of the new leadership that continues to carry the banner for equal opportunity in the broadcast, telecom, media and new media industries of the 21st century. On January 1, 2012 a new team began to lead MMTC as we entered our second generation of service.

- Hon. Julia Johnson, former Chair of the Florida Public Service Commission, accepted the baton as MMTC's Chair, succeeding

Hon. Henry Rivera.

- Former FCC Commissioner Deborah Taylor Tate became Vice Chair, succeeding Maurita Coley
- Ronald Johnson, President of Ronson Network Services, became Treasurer, succeeding Julia Johnson.
- Vice Chair Erwin Krasnow and Board Secretary Ari Fitzgerald continued to provide excellent service in their current roles.
- Maurita Coley, MMTC's Vice Chair, joined the staff as Vice President and Chief Operating Officer.
- Hon. Henry Rivera, to whom we owe enormous gratitude for his 25 years of dedicated and extraordinarily effective volunteer service, became Chair Emeritus and continues to serve on the Board of Directors and the Executive Committee

## **MMTC OPERATIONS AND RESOURCES**

### **Corporate Office**

MMTC operates cost-effectively from an inexpensive Washington, D.C. office. In 2011, MMTC's staff grew to a staff of 10 full-time employees, consisting of three Fellows, two staff counsel, a research director, a research associate, a communications director, five program consultants, and over a dozen contributing writers for the BBSJ Blog.

### **MMTC's Executive Leadership**

In 2011, MMTC's President and Executive Director, David Honig, who co-founded MMTC in 1986 along with seven other media and telecommunication industry advocates, expressed a desire to strengthen the management team by hiring a Chief Operating Officer. Honig, a renowned communications and civil rights attorney, has practiced before the FCC and the federal courts since 1983. Honig has written extensively on minorities in the media and on the digital divide and, as an NAACP participating attorney, serves pro bono as chief counsel for the Florida NAACP. In September, 2011, the board voted to hire Maurita Coley, MMTC's Vice-Chair and member of the board of directors and an experienced media and communications industry attorney, as Vice President and Chief Operating Officer, effective January 1, 2012.

### **MMTC 100-plus member "Best Minds" Policy Committee**

In addition to MMTC's Executive Committee, its 15 member board of directors, and its 27 member Advisory Committee, MMTC derives long term, strategic advice on communications policy issues from some of the best and most creative minds in the industry. MMTC's 100-member "MMTC Best Minds" Policy Committee meets eight times a year to consider long-term issues in communications policy. In 2011, MMTC began to hold open public forums to discuss critical policy issues. The first such public forum was on USF Reform: Its Impact on Minorities and Underserved. This forum featured an expert panel that was led by Blair Levin on September 12, 2011 at the Westin Georgetown Hotel. The success of the first open forum was quickly followed up with The General Counsels Forum: A Legal and Legislative Framework for the 21st Century Economy, held on October 28, 2011. Featured speakers included Austin Schlick, FCC, Randal Milch, Verizon, Mark Stachiw, MetroPCS, and Kim Keenan, NAACP.

### **MMTCOnline.org Website**

Our website offers thorough, one-stop access to information about all aspects of civil rights in the media and telecom industries, including a comprehensive library of MMTC's pleadings, briefs, research studies, and guidebooks.

### **Financial Statements**

MMTC's audited financial statements and IRS Form 990 are available upon request.

### **MMTC Welcomes Your Membership and Support**

MMTC needs and welcomes your financial support! All contributions are tax-deductible. Financial support from MMTC's members, corporate sponsors, and donors is critical to MMTC's continued service as an advocate for diversity, inclusion, and equal opportunity in the nation's media and telecommunications industries.

MMTC membership is open to individuals, businesses, and nonprofit organizations. A membership application may be downloaded [here](#).

If you would like to structure a special donation, bequest, or establish an endowment or a named fellowship, please contact David Honig, President at (202) 332-7005 or [dhonig@crosslink.net](mailto:dhonig@crosslink.net), or Maurita Coley, COO, at (202) 422-4411 or [mcoley@mmtconline.net](mailto:mcoley@mmtconline.net).

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### **Join the Conversation!**